



California Fair Political Practices Commission

July 19, 1989

Robert E. Leidigh
Olson, Connelly, Hagel & Fong
300 Capitol Mall, Suite 350
Sacramento, CA 95814

Re: Your Request For Advice
Our File No. A-89-390

Dear Mr. Leidigh:

You have requested confirmation of telephone advice I provided you concerning the campaign provisions of the Political Reform Act.

Your letter dated June 28, 1989, correctly summarizes my advice that your client, the California Newspaper Publishers Association is not required to register and file campaign statements as a "recipient committee" when it makes contributions out of funds other than membership dues. Such funds are received by the association through the sales of advertisements and from various convention activities. Since such funds are not "contributions" received by the association, the association will not meet the definition of a recipient committee when it makes contributions from those funds. Rather, it must file as a "major donor committee" if it makes contributions totaling \$10,000 or more in a calendar year.

We note that our advice would change if the association were to use membership dues to make contributions. (Macklin Advice Letter, No. A-85-235.)

Please call me at (916) 322-5662 if you have additional questions.

Sincerely,

Kathryn E. Donovan
General Counsel

By: Jeanne Pritchard
Division Chief
Technical Assistance and
Analysis Division



California Fair Political Practices Commission

July 6, 1989

Robert E. Leidigh
Olson, Connelly, Hagel & Fong
300 Capitol Mall, Suite 350
Sacramento, CA 95814

Re: Letter No. 89-390

Dear Mr. Leidigh:

We received your letter requesting confirmation of advice under the Political Reform Act on June 30, 1989. Your letter has been assigned to our Technical Assistance and Analysis Division for response. If you have any questions, you may contact that division directly at (916) 322-5662.

If the letter is appropriate for confirmation without further analysis, we will attempt to expedite our response. A confirming response will be released after it has gone through our approval process. If the letter is not appropriate for this treatment, the staff person assigned to prepare the response will contact you shortly to advise you. In such cases, the normal analysis, review and approval process will be followed.

You should be aware that your letter and our response are public records which may be disclosed to any interested person upon receipt of a proper request for disclosure.

Sincerely,

A handwritten signature in cursive script, reading "Kathryn E. Donovan", is written above the typed name.

Kathryn E. Donovan
General Counsel

KED:plh:confadv1



California Fair Political Practices Commission

July 6, 1989

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Olson, Connelly, Hagel & Fong
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Kathryn E. Donovan
General Counsel

KED:plh:confadv1

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Law Offices of
OLSON, CONNELLY, HAGEL & FONG

June 30, 1989

Jeanne Pritchard, Chief
Technical Assistance & Analysis Division
FAIR POLITICAL PRACTICES COMMISSION
428 "J" Street, Suite 800
Sacramento, California 95814

HAND DELIVERED

**RE: CONFIRMATION OF TELEPHONE ADVICE; FORMAL WRITTEN
ADVICE**

Dear Ms. Pritchard:

This letter is written to obtain formal written advice confirming telephone advice which you rendered to me on June 28, 1989. The question involves the issue of "earmarked" contributions and commingling under Regulation 18215(c).

FACTS

The California Newspaper Publishers Association ("CNPA") is a membership organization with over 250 dues paying members. It has annual revenues of nearly \$1 million. Approximately \$150,000 of that is "unrelated business income." This money is earned through the sales of advertisements and from various convention activities. CNPA is a non-profit tax-exempt organization; however, because it has "unrelated business income" it must maintain careful books and pays taxes on that income. However, the revenues received by CNPA are all deposited into one bank account.

LANCE H. OLSON
BRUCE J. HAGEL
LEROY Y. FONG
ROBERT E. LEIDIGH

CNPA has made contributions out of its "unrelated business income" in past years, although not enough to require filing as a major donor. These contributions have been made from "unrelated business income" funds entirely and have never been treated as coming from its membership dues. This has been done for tax purposes as well, since the membership dues are not to be used for making contributions for fear of jeopardizing the tax exempt status of the dues.

QUESTION

I asked you the following question:

Under the facts as stated and the Willmarth Opinion, 2 FPPC Opinions 130 (No. 75-188; August 3,

300 Capitol Mall, Suite 350
Sacramento, California 95814
TELEPHONE: (916) 442-2952
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Law Offices of
OLSON, CONNELLY, HAGEL & FONG

June 30, 1989

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OF COUNSEL
LLOYD G. CONNELLY, Member
California State Legislature

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Under the facts as stated and the Willmarth
Opinion, 2 FPPC Opinions 130 (No. 75-188; August 3,

Jeanne Pritchard
June 30, 1989
Page two

1976) is CNPA required to file a statement of organization when it makes \$1,000 or more in contributions in 1989? Or is CNPA only required to file as a major donor committee if and when it makes contributions totalling \$10,000 or more in 1989?

CONCLUSION

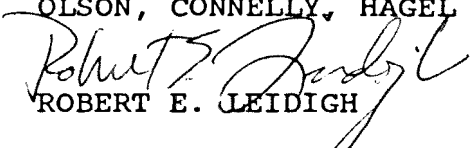
You advised that CNPA need not file as a recipient committee (PAC) if it makes \$1,000 or more in contributions. CNPA is contributing from its own funds, not from "earmarked" contributions from its members. Therefore, CNPA would be required to file campaign contribution reports only if and when it makes a total of \$10,000 or more in contributions in a calendar year.

CNPA's circumstances are covered by the Willmarth Opinion, rather than the Macklin Advice Letter, No. A-85-235, because CNPA does not use dues moneys for making its contributions, but instead uses separate funds. The ACLU, in Macklin, did not have "unrelated business income" from which it made the contributions.

I would appreciate your written confirmation of this advice.

Very truly yours,

OLSON, CONNELLY, HAGEL & FONG


ROBERT E. LEIDIGH

cc: Mike Dorais
CNPA

Law Offices of
OLSON, CONNELLY, HAGEL & FONG

June 30, 1989

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California State Legislature

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CNPA

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OLSON, CONNELLY, HAGEL & FONG


ROBERT E. LEIDIGH

cc: Mike Dorais
CNPA

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Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
CP: Completed
FA: Fail

TU: Terminated by user
TS: Terminated by system
RP: Report

G3: Group 3
EC: Error Correct

FAIR POLITICAL PRACTICES COMMISSION

428 J STREET, SUITE 620

SACRAMENTO, CA 95814

PHONE: (916) 322-5660

FACSIMILE (LEGAL DIVISION): (916) 327-2026

FACSIMILE TRANSMITTAL SHEET

TO:

Angela Evans

FROM:

Juanita Lira, Legal Secretary
Legal Division (916) 322-7762

COMPANY:

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OCTOBER 21, 2008

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